

Exhibit 16

Deposition of Kurt Otto
(February 6, 2017) (excerpted)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

CUNG LE; NATHAN QUARRY, JON)	
FITCH, on behalf of)	
themselves and all others)	
similarly situated,)	
)	
Plaintiffs,)	
)	
vs.)	Case No.
)	2:15-cv-01045-RFB-(PAL)
)	
ZUFFA, LLC, d/b/a Ultimate)	
Fighting Championship and)	
UFC,)	
)	
Defendant.)	
_____)	

VIDEOTAPED DEPOSITION OF

KURT OTTO

New York, New York

February 6, 2017

10:00 a.m.

Reported by:
JUDITH CASTORE, CLR
Job No. 48410

<p style="text-align: right;">98</p> <p>1 OTTO</p> <p>2 into boxing. Do you have a son or a</p> <p>3 daughter?</p> <p>4 Q I have a son and a daughter,</p> <p>5 both.</p> <p>6 A Okay, twins.</p> <p>7 Q Yeah.</p> <p>8 A Okay. The last place I would</p> <p>9 take my 11-year-old son is to a rough</p> <p>10 neighborhood and leave him there to box</p> <p>11 for three hours straight, and go get a</p> <p>12 Starbucks and come back. I would</p> <p>13 gladly leave him in an environment that</p> <p>14 has many professionals that are there</p> <p>15 to support him that are maybe wrestling</p> <p>16 coaches, where it's a more positive</p> <p>17 environment.</p> <p>18 Not just because it needs a</p> <p>19 coat of paint or there is a hole in the</p> <p>20 mat; that's not what I mean. There is</p> <p>21 more attention brought to the sport of</p> <p>22 mixed martial arts with higher-level</p> <p>23 trainers which attracts people more.</p> <p>24 Q What I'm trying to get at is,</p> <p>25 are there special skills that you need</p>	<p style="text-align: right;">100</p> <p>1 OTTO</p> <p>2 Q It's a different sport?</p> <p>3 A Right, a different sport.</p> <p>4 Now, Conor McGregor is a decent standup</p> <p>5 fighter, and he will be able to hang in</p> <p>6 there for a couple of minutes, but</p> <p>7 eventually Mayweather will light him up</p> <p>8 and knock him out.</p> <p>9 It's -- it's two different</p> <p>10 sports. It's like saying, you know,</p> <p>11 you can take Lawrence Taylor and throw</p> <p>12 him on a soccer field, but what's that</p> <p>13 going to look like?</p> <p>14 Q MMA combines a variety of</p> <p>15 fighting styles such as boxing or</p> <p>16 Jiu Jitsu --</p> <p>17 A Everything.</p> <p>18 Q -- kickboxing -- everything.</p> <p>19 A Yes.</p> <p>20 Q That's different in important</p> <p>21 ways, in your opinion, than just</p> <p>22 wrestling or just boxing; is that</p> <p>23 right?</p> <p>24 MR. SKAGGS: Objection.</p> <p>25 Foundation.</p>
<p style="text-align: right;">99</p> <p>1 OTTO</p> <p>2 to be a mixed martial arts fighter</p> <p>3 different from a boxer?</p> <p>4 Could Floyd Mayweather, for</p> <p>5 example --</p> <p>6 A Of course. Of course.</p> <p>7 Q -- could he, tomorrow, fight</p> <p>8 mixed martial arts? Would he be --</p> <p>9 without additional training, be able to</p> <p>10 fight in the Octagon?</p> <p>11 A No.</p> <p>12 Q Why not?</p> <p>13 A No. Well, here's an example:</p> <p>14 Floyd Mayweather fights Conor McGregor</p> <p>15 in a boxing match. The odds are Floyd</p> <p>16 Mayweather, in a boxing model, will</p> <p>17 knock out Conor McGregor in 40 seconds.</p> <p>18 Vice-versa, if Mayweather fights Conor</p> <p>19 McGregor in the UFC, in a cage, with</p> <p>20 mixed martial arts rules, Conor</p> <p>21 McGregor will take him out in under 20</p> <p>22 seconds.</p> <p>23 Q Get him to the ground?</p> <p>24 A Get him to the ground, submit</p> <p>25 him. They're just not used to it.</p>	<p style="text-align: right;">101</p> <p>1 OTTO</p> <p>2 A It's not an opinion. It's a</p> <p>3 fact. Boxing is boxing. Mixed martial</p> <p>4 arts, hence the word "mixed" martial</p> <p>5 arts, it's everything.</p> <p>6 Q I would like you to turn back</p> <p>7 to the 10K just for a minute, the first</p> <p>8 document, Otto Exhibit 1.</p> <p>9 A Sure.</p> <p>10 Q Page 15.</p> <p>11 A Yeah.</p> <p>12 Q Internal Page 15.</p> <p>13 A Internal Page 15.</p> <p>14 Q It's under "Risks related to</p> <p>15 our industry."</p> <p>16 The top says: If we fail to</p> <p>17 maintain effective --</p> <p>18 A If we fail to maintain</p> <p>19 effective --</p> <p>20 Q Right.</p> <p>21 A Yes.</p> <p>22 Q So then, turn down to the --</p> <p>23 just below the middle of the page,</p> <p>24 where it says "risks related to our</p> <p>25 industry."</p>

26 (Pages 98 to 101)

<p style="text-align: right;">102</p> <p>1 OTTO</p> <p>2 There's a caption --</p> <p>3 A Yes.</p> <p>4 Q Okay, great.</p> <p>5 Underneath that, it says:</p> <p>6 The failure to retain or continue to</p> <p>7 recruit key athletes and coaches could</p> <p>8 negatively impact the growth of IFL's</p> <p>9 popularity.</p> <p>10 Do you see that?</p> <p>11 A Yes.</p> <p>12 Q Then it says: Our success</p> <p>13 depends in large part upon the ability</p> <p>14 to recruit and retain athletes and</p> <p>15 coaches who are well-known fighters in</p> <p>16 the MMA world and who have the physical</p> <p>17 presence and ability to compete in our</p> <p>18 live events.</p> <p>19 Do you see that?</p> <p>20 A Yes.</p> <p>21 Q Then it goes on to say "and</p> <p>22 television programming."</p> <p>23 A Um-hum.</p> <p>24 Q Do you agree that the success</p> <p>25 of the IFL depended, in part, on the</p>	<p style="text-align: right;">104</p> <p>1 OTTO</p> <p>2 A Because people -- the people</p> <p>3 who are already popular in a sport,</p> <p>4 they do not need a battery. You don't</p> <p>5 have to polish them up. They're ready</p> <p>6 to go. They're going to sell tickets.</p> <p>7 The people in the sport that</p> <p>8 are up and coming, you have to do a</p> <p>9 background on them, meaning you gotta</p> <p>10 go to their house; you gotta watch them</p> <p>11 eat dinner with their family, and what</p> <p>12 they drive and where they train. You</p> <p>13 have to build a story. You have to</p> <p>14 make people care about that person.</p> <p>15 Maybe 18 months to a year later, or two</p> <p>16 years later, you might get someone to</p> <p>17 care about that person in order for</p> <p>18 them to want buys.</p> <p>19 So the financial -- financial</p> <p>20 input into somebody you think may have</p> <p>21 potential, you have to cure them like a</p> <p>22 fine wine until they're ready to</p> <p>23 produce for you.</p> <p>24 I know that sounds harsh, but</p> <p>25 it's true. Me, I honestly didn't take</p>
<p style="text-align: right;">103</p> <p>1 OTTO</p> <p>2 ability to retain and recruit</p> <p>3 well-known fighters?</p> <p>4 A It's the epitome of the</p> <p>5 sport, yes.</p> <p>6 Q Why would it have been</p> <p>7 important for the IFL, or any upstart</p> <p>8 MMA promotion to recruit and retain</p> <p>9 well-known MMA fighters?</p> <p>10 MR. SKAGGS: Objection.</p> <p>11 Foundation.</p> <p>12 A Well, it only -- in my</p> <p>13 opinion, it only matters for two</p> <p>14 things: Ticket sales and TV revenue.</p> <p>15 Q Is that all?</p> <p>16 A Yeah. So, if you have a</p> <p>17 great fighter and you have the revenue</p> <p>18 to pay that fighter what they're worth</p> <p>19 because they put butts in the seat or</p> <p>20 have purchase for pay-per-view,</p> <p>21 et cetera, it's everything. It's the</p> <p>22 gasoline to the engine. Without that,</p> <p>23 you have zero.</p> <p>24 Q Why do you think that?</p> <p>25 What's the basis for your opinion?</p>	<p style="text-align: right;">105</p> <p>1 OTTO</p> <p>2 that approach. You want to know why?</p> <p>3 Q Yes.</p> <p>4 A Because I was three deep in</p> <p>5 every weight class, and I had a season.</p> <p>6 I wasn't counting on one person making</p> <p>7 or breaking my business.</p> <p>8 Q It's fair to say that most</p> <p>9 promoters rely on the presence of a few</p> <p>10 well-known athletes to promote their</p> <p>11 events?</p> <p>12 A Yes.</p> <p>13 MR. SKAGGS: Objection.</p> <p>14 Foundation.</p> <p>15 A Yes. So what I did</p> <p>16 differently to fight that -- because I</p> <p>17 was a nobody in the sport --</p> <p>18 Q Right.</p> <p>19 A -- I took all of the coaches</p> <p>20 that were former UFC champions that no</p> <p>21 one gave a crap about anymore, and they</p> <p>22 weren't fighting but the fans loved</p> <p>23 them, and the fans wanted to see them.</p> <p>24 And we were very hands-on. And I knew</p> <p>25 that those coaches were the lifeblood</p>

27 (Pages 102 to 105)

<p style="text-align: right;">106</p> <p>1 OTTO</p> <p>2 of new talent coming up, so I got the</p> <p>3 coach first, and then I got the great</p> <p>4 fighter.</p> <p>5 Q So, having well-known former</p> <p>6 UFC champions as coaches was part of</p> <p>7 your business model?</p> <p>8 A Yes, right. Because if you</p> <p>9 weren't a UFC champion and you weren't</p> <p>10 retired and you didn't actually have a</p> <p>11 belt -- and not every single one of my</p> <p>12 coaches, by the way, were UFC</p> <p>13 champions, but the ones that were the</p> <p>14 most popular and the fans wanted to see</p> <p>15 and the fans wanted to see who that</p> <p>16 former champion produced as the next</p> <p>17 up-and-coming star, coming up, that's</p> <p>18 what excited our fans.</p> <p>19 And by the way, not only did</p> <p>20 I have the teams fight each other,</p> <p>21 occasionally, the coaches would fight</p> <p>22 each other. Can you imagine Belichick</p> <p>23 fighting Dan?</p> <p>24 Q Fighting Quinn?</p> <p>25 A Yes. That was unbelievable.</p>	<p style="text-align: right;">108</p> <p>1 OTTO</p> <p>2 team-win bonus system. There was a</p> <p>3 financial interest in them winning, and</p> <p>4 they were rewarded for it.</p> <p>5 Similar to the watch list you</p> <p>6 have -- the UFC has; fight of the</p> <p>7 night; they have knockout; they have</p> <p>8 submission of the night, right?</p> <p>9 Q Yeah.</p> <p>10 A It's a bonus structure.</p> <p>11 We -- we were team based, so we had a</p> <p>12 different type of bonus structure.</p> <p>13 MR. CRAMER: I would like to</p> <p>14 mark as the next exhibit -- what</p> <p>15 are we up to, 5? Otto Exhibit 5,</p> <p>16 an article.</p> <p>17 (Document titled, IFL Needs</p> <p>18 Buyer to Stay Alive, Mixed Martial</p> <p>19 Arts Company Running Out of Time,</p> <p>20 was marked Deposition Exhibit 5,</p> <p>21 for identification, as of this</p> <p>22 date.)</p> <p>23 Q Otto Exhibit 5 is an article</p> <p>24 from The Record, June 27, 2008. It's</p> <p>25 entitled "IFL Needs Buyer to Stay</p>
<p style="text-align: right;">107</p> <p>1 OTTO</p> <p>2 Q It was.</p> <p>3 A I actually shut it off and</p> <p>4 went to bed and turned it on and, "What</p> <p>5 the heck just happened?"</p> <p>6 Q For the record, we're talking</p> <p>7 about the Super Bowl.</p> <p>8 Did the IFL permit the</p> <p>9 coaches to fight outside the IFL --</p> <p>10 MR. SKAGGS: Objection.</p> <p>11 Foundation.</p> <p>12 Q -- while they were working</p> <p>13 for the IFL?</p> <p>14 A Yes. And they did.</p> <p>15 Q Did the IFL grant equity to</p> <p>16 entice coaches to join the IFL or work</p> <p>17 with the IFL?</p> <p>18 A Yes. We give them shares in</p> <p>19 the company.</p> <p>20 Q Were the coaches paid a</p> <p>21 salary or stipend?</p> <p>22 A They were paid a salary, and</p> <p>23 they were paid bonus if an individual</p> <p>24 fighter won on their team. So we had</p> <p>25 an individual bonus system and we had</p>	<p style="text-align: right;">109</p> <p>1 OTTO</p> <p>2 Alive, Mixed Martial Arts Company</p> <p>3 Running Out of Time."</p> <p>4 And I just want to turn your</p> <p>5 attention to the second page of the</p> <p>6 article; page of the exhibit, there is</p> <p>7 and forwards the end of the page, there</p> <p>8 is a quote from Gary Shaw, a</p> <p>9 Wayne-based boxing Promoter.</p> <p>10 Do you see that, Gary Shaw?</p> <p>11 A Gary Shaw, yes. And Gary</p> <p>12 knew Jay very well.</p> <p>13 Q Jay Larkin?</p> <p>14 A Um-hum.</p> <p>15 Q Larkin was the CEO of IFL?</p> <p>16 A Yes, after Gareb.</p> <p>17 Q Do you know Gary Shaw?</p> <p>18 A I have met him. I have said</p> <p>19 hello to him at an event, but I don't</p> <p>20 know him personally.</p> <p>21 Q It says here he was a boxing</p> <p>22 promoter who is a Pro Elite consultant</p> <p>23 and board member.</p> <p>24 Do you see that, in the</p> <p>25 paragraph beginning with "Gary Shaw"?</p>

28 (Pages 106 to 109)

<p style="text-align: right;">110</p> <p>1 OTTO</p> <p>2 A Yeah.</p> <p>3 Q What's a Pro Elite</p> <p>4 consultant?</p> <p>5 A A Pro Elite consultant?</p> <p>6 Q Do you know?</p> <p>7 A Pro Elite is an organization.</p> <p>8 Q Fighting organization?</p> <p>9 A Fighting organization that he</p> <p>10 was a consultant of, yeah.</p> <p>11 Q And his quote is: You need</p> <p>12 TV to survive, he said. You have to</p> <p>13 get your fighters known.</p> <p>14 And then the article says:</p> <p>15 IFL's problem, he said, has been that</p> <p>16 its TV deals don't provide, quote,</p> <p>17 enough big-time eyeballs, closed quote.</p> <p>18 The company was also hampered by the</p> <p>19 team concept which didn't interest fans</p> <p>20 used to focusing on individual</p> <p>21 fighters, Shaw said. The concept was</p> <p>22 ultimately dumped.</p> <p>23 Do you see that?</p> <p>24 A Yeah.</p> <p>25 Q Do you think one -- do you</p>	<p style="text-align: right;">112</p> <p>1 OTTO</p> <p>2 getting its fighters known?</p> <p>3 MR. SKAGGS: Objection.</p> <p>4 Foundation. Leading.</p> <p>5 A No. I don't think we had</p> <p>6 difficulty getting our fighters known.</p> <p>7 I think that we ran out of money</p> <p>8 before -- before we could really -- as</p> <p>9 we started to introduce this new</p> <p>10 concept into the world of mixed martial</p> <p>11 arts, we were picking up a lot of</p> <p>12 steam. And we were always at the mercy</p> <p>13 of the network to show our content</p> <p>14 without editing it down so much where</p> <p>15 we couldn't -- we were -- just wanted</p> <p>16 to show the fights, and there wasn't</p> <p>17 enough background story to promote that</p> <p>18 fight and build that fighter up.</p> <p>19 When you have a 30-minute</p> <p>20 show, and then your net-net, you take</p> <p>21 out the commercials, you're' talking</p> <p>22 probably 14 to 15 minutes worth of</p> <p>23 actual content and --</p> <p>24 Q Right.</p> <p>25 A -- you know. I mean, what</p>
<p style="text-align: right;">111</p> <p>1 OTTO</p> <p>2 think one reason why the IFL did not</p> <p>3 succeed was that the IFL didn't get</p> <p>4 big-time TV deals?</p> <p>5 MR. SKAGGS: Objection.</p> <p>6 Foundation.</p> <p>7 A I think it's all relative.</p> <p>8 We were the only fight organization to</p> <p>9 Gary Shaw's quote, which is his</p> <p>10 opinion, which is grossly distorted.</p> <p>11 But we were the only fight organization</p> <p>12 that was paid for our content. He did</p> <p>13 a time buy. He paid, from what I</p> <p>14 remember, to be on TV.</p> <p>15 Q You mean other than the UFC,</p> <p>16 IFL was the only one that was paid at</p> <p>17 the time?</p> <p>18 A That I know of, yeah. I</p> <p>19 mean -- and maybe King of the Cage.</p> <p>20 Maybe. But that was usually done on</p> <p>21 the Indian reservations. I don't know</p> <p>22 how that worked.</p> <p>23 Q If you put that aside,</p> <p>24 putting aside what Mr. Shaw said, would</p> <p>25 you agree that the IFL had trouble</p>	<p style="text-align: right;">113</p> <p>1 OTTO</p> <p>2 are you talking about here?</p> <p>3 Q Let's say you could have</p> <p>4 retained and recruited, at that time,</p> <p>5 fighters who were under contract with</p> <p>6 the UFC.</p> <p>7 Would that have helped your</p> <p>8 business?</p> <p>9 MR. SKAGGS: Objection.</p> <p>10 Foundation. Leading.</p> <p>11 A Well, we did have fighters</p> <p>12 that were released of their contract</p> <p>13 that were excellent fighters that we</p> <p>14 did have fight for us, and it was a</p> <p>15 positive experience, having that</p> <p>16 fighter now fighting with us.</p> <p>17 For whatever reason that they</p> <p>18 were let go from the UFC, I don't know</p> <p>19 that answer. But when we did have the</p> <p>20 bigger names, it was obviously better.</p> <p>21 We would have super fights with those</p> <p>22 fighters.</p> <p>23 Q When you were a promoter, I</p> <p>24 guess from the perspective of the</p> <p>25 promoter, is it in the promoter's --</p>

<p style="text-align: right;">114</p> <p>1 OTTO</p> <p>2 MMA promoter's interest to have</p> <p>3 contracts with their fighters that</p> <p>4 allowed the promoter to keep the</p> <p>5 fighter locked up if the fighter wins</p> <p>6 and let go the fighter if the fighter</p> <p>7 loses?</p> <p>8 MR. SKAGGS: Objection.</p> <p>9 Foundation. Leading.</p> <p>10 Q Is that in the interest of</p> <p>11 the promoter to have a contract that</p> <p>12 works that way?</p> <p>13 A In a typical scenario, yes,</p> <p>14 but I honestly can't think of one</p> <p>15 fighter -- I know it sounds crazy, but</p> <p>16 I cannot think of one fighter that I</p> <p>17 have let go because they lost. I can't</p> <p>18 think of one.</p> <p>19 Now, there were cases where a</p> <p>20 coach came to me -- a coach came to me</p> <p>21 and said, Listen, I gave this kid four</p> <p>22 or five times to put up or shut up, and</p> <p>23 he just didn't cut the mustard, so I'm</p> <p>24 swapping him out with so-and-so.</p> <p>25 I said, It's your choice.</p>	<p style="text-align: right;">116</p> <p>1 OTTO</p> <p>2 Q What did you know about?</p> <p>3 A In complaint form.</p> <p>4 Q What were the fighters</p> <p>5 complaining to you about with respect</p> <p>6 to the UFC contract?</p> <p>7 A I think one of the biggest</p> <p>8 consistent complaints was --</p> <p>9 MR. SKAGGS: Hearsay</p> <p>10 objection.</p> <p>11 Q Go ahead.</p> <p>12 A Finally, they let me out of</p> <p>13 the contract, and finally I can come</p> <p>14 fight for you guys, man, because last</p> <p>15 time I fought was year and a half ago,</p> <p>16 and I've been sitting on a shelf,</p> <p>17 collecting dust. And it's killing me,</p> <p>18 because I just want to fight. I just</p> <p>19 want to be able to fight, and I can't</p> <p>20 even fight in, like, a Jiu Jitsu</p> <p>21 tournament.</p> <p>22 I mean, they were pretty</p> <p>23 stringent on what they could do, even</p> <p>24 outside of fighting, I've heard.</p> <p>25 Q Outside of MMA fighting?</p>
<p style="text-align: right;">115</p> <p>1 OTTO</p> <p>2 It's a team sport. But I never, ever</p> <p>3 personally broke a contract because</p> <p>4 somebody lost, that I -- that I can</p> <p>5 remember. I mean, no.</p> <p>6 Q Were you aware of the basic</p> <p>7 outlines of -- did you ever see a</p> <p>8 contract between the UFC and a fighter?</p> <p>9 A No.</p> <p>10 Q Were you aware of the basic</p> <p>11 outlines of the contract terms between</p> <p>12 the UFC and fighters?</p> <p>13 A Yeah. I mean, a fighter</p> <p>14 would, to the best of their knowledge,</p> <p>15 recite some stuff from there. Like,</p> <p>16 Oh, yeah, man, when I fought with the</p> <p>17 UFC, they did this, this, this, and</p> <p>18 this. But I never spoke to, like, that</p> <p>19 fighter's manager about a contract</p> <p>20 that -- physically, I have never seen</p> <p>21 an actual UFC contract ever in my life.</p> <p>22 Q Right.</p> <p>23 A But I knew how it kind of</p> <p>24 went together, just based on what the</p> <p>25 fighters were telling me.</p>	<p style="text-align: right;">117</p> <p>1 OTTO</p> <p>2 A Yeah. I mean, like, even if</p> <p>3 you wanted to fight in a Jiu Jitsu</p> <p>4 tournament or a kickboxing tournament</p> <p>5 or something that wasn't mixed martial</p> <p>6 arts, you know, or whatever. So they</p> <p>7 were pretty happy to finally be</p> <p>8 released and finally be able to fight</p> <p>9 again.</p> <p>10 Q Was it your understanding,</p> <p>11 from 2006 to 2008, at least, that the</p> <p>12 UFC had under contract more fighters</p> <p>13 than it could use regularly for its</p> <p>14 events?</p> <p>15 MR. SKAGGS: Objection.</p> <p>16 Foundation. Leading.</p> <p>17 A I think, mathematically, if</p> <p>18 you add up how many events they had per</p> <p>19 year and how many fighters they had</p> <p>20 under contract, and if you think about</p> <p>21 how much money these guys would make,</p> <p>22 you can't have -- I think we had 160</p> <p>23 fighters under contract, 170 fighters</p> <p>24 under contract, but they were all</p> <p>25 active, and they were all being</p>

<p style="text-align: right;">118</p> <p>1 OTTO</p> <p>2 shuffled throughout the season. And at</p> <p>3 that time, the UFC was not at the pace</p> <p>4 that they're going at right now.</p> <p>5 There's a lot of content on</p> <p>6 TV every single -- seems like every</p> <p>7 other weekend there's either free</p> <p>8 fights on live TV, and then there's</p> <p>9 pay-per-view, but back then, they</p> <p>10 didn't have that model. So there was a</p> <p>11 lot of -- a lot of dust on these guys.</p> <p>12 Q Were you aware about -- I</p> <p>13 think you testified earlier about how</p> <p>14 the typical MMA contract worked, but</p> <p>15 was it your understanding that fighters</p> <p>16 only got paid by the UFC if they</p> <p>17 fought?</p> <p>18 MR. SKAGGS: Objection.</p> <p>19 Foundation. Leading.</p> <p>20 Q For example, if the fighter</p> <p>21 was gathering dust, to use your term,</p> <p>22 they weren't getting paid, correct?</p> <p>23 MR. SKAGGS: Same objection.</p> <p>24 A To my knowledge, no.</p> <p>25 Q They were not getting paid?</p>	<p style="text-align: right;">120</p> <p>1 OTTO</p> <p>2 from fighting, I heard complaints from</p> <p>3 fighters like -- because I honestly</p> <p>4 didn't care. I wanted them --</p> <p>5 honestly, I wanted them to make as much</p> <p>6 money as they could.</p> <p>7 So, if their fight shorts</p> <p>8 looked like NASCAR and they had all</p> <p>9 these logos on them, God bless you,</p> <p>10 man; iron 50 more of them on there.</p> <p>11 So I -- I -- I heard, you</p> <p>12 know, several complaints about them not</p> <p>13 being able to make extra revenue based</p> <p>14 on sponsorship due to their contract,</p> <p>15 but I didn't know the details of it.</p> <p>16 MR. SKAGGS: Hearsay</p> <p>17 objection.</p> <p>18 Q Did you ever try to hire a</p> <p>19 UFC fighter that was currently, or at</p> <p>20 that time, under contract with UFC?</p> <p>21 A No.</p> <p>22 Q Why not?</p> <p>23 A I just didn't want to get</p> <p>24 sued again.</p> <p>25 Q You thought the UFC would sue</p>
<p style="text-align: right;">119</p> <p>1 OTTO</p> <p>2 A They were not getting paid,</p> <p>3 no. The typical model -- typically,</p> <p>4 again, I have never seen a contract of</p> <p>5 the UFC's, but typically it's</p> <p>6 show-and-win, right?</p> <p>7 Q You get paid to show up and</p> <p>8 you get paid a bonus if you win?</p> <p>9 A You get paid to show up and</p> <p>10 you get paid to win. And then there</p> <p>11 may be a bonus or something after that.</p> <p>12 Q During this time, did you</p> <p>13 have an understanding that the UFC's</p> <p>14 contracts with its fighters were</p> <p>15 exclusive? In other words, if a</p> <p>16 fighter was under contract with UFC,</p> <p>17 was it your understanding that they</p> <p>18 could not fight in an MMA promotion</p> <p>19 other than the UFC, during the time</p> <p>20 they were under contract?</p> <p>21 MR. SKAGGS: Objection.</p> <p>22 Foundation. Leading.</p> <p>23 A Correct. They could not</p> <p>24 fight, period. Then there was other</p> <p>25 complaints that I heard also -- aside</p>	<p style="text-align: right;">121</p> <p>1 OTTO</p> <p>2 you if you tried to hire one of their</p> <p>3 fighters?</p> <p>4 A 1,000 percent.</p> <p>5 Q Why did you think that?</p> <p>6 A Because they originally sued</p> <p>7 me for nothing to begin with, so at</p> <p>8 least if it was something, I knew I</p> <p>9 would be screwed.</p> <p>10 Q Did the UFC have under -- in</p> <p>11 your opinion, between 2006 and 2008,</p> <p>12 while you were involved with the IFL,</p> <p>13 did the UFC have under contract the</p> <p>14 vast majority of well-known or marquis</p> <p>15 fighters, MMA fighters?</p> <p>16 MR. SKAGGS: Objection.</p> <p>17 Foundation. Leading?</p> <p>18 A At the time that I was in the</p> <p>19 midst of the IFL, in my opinion,</p> <p>20 excluding what you see now with Conor</p> <p>21 McGregor, that was the heyday. That</p> <p>22 was ridiculous. The pay-per-views buys</p> <p>23 that the UFC had at that time, like</p> <p>24 Chuck Liddell, Ken Shamrock, Tito</p> <p>25 Ortiz, Randy Couture, these were --</p>

<p style="text-align: right;">242</p> <p>1 OTTO</p> <p>2 other revenue streams; otherwise,</p> <p>3 you're dead in the water.</p> <p>4 Q So, in order to compete on</p> <p>5 the level of the UFC, you need a ton of</p> <p>6 capital; is that right?</p> <p>7 A To start off with.</p> <p>8 MR. SKAGGS: Objection.</p> <p>9 Leading.</p> <p>10 Q You said "to start off with,"</p> <p>11 a ton of capital; yes?</p> <p>12 A Yes. To get that machine</p> <p>13 going so that you can prove to the TV</p> <p>14 network that you have the wherewithal</p> <p>15 to actually put on an event. Not just</p> <p>16 a one-off situation; I'm talking about</p> <p>17 a season. I am talking about, I'm</p> <p>18 going to deliver you 35 shows.</p> <p>19 Q You need a lot of top-level</p> <p>20 fighters in order to get the TV</p> <p>21 contract?</p> <p>22 MR. SKAGGS: Objection.</p> <p>23 Foundation.</p> <p>24 Q Is that right?</p> <p>25 A It's all linked.</p>	<p style="text-align: right;">244</p> <p>1 OTTO</p> <p>2 MR. SKAGGS: Objection.</p> <p>3 Foundation. Leading.</p> <p>4 A Correct.</p> <p>5 Q Go ahead.</p> <p>6 A And one more thing, it's</p> <p>7 tough to get the top fighters if you</p> <p>8 don't have a TV deal for them to strut</p> <p>9 their stuff. You -- you know,</p> <p>10 everybody wants their 15 minutes of</p> <p>11 fame, right?</p> <p>12 So it's not -- in the</p> <p>13 beginning, they say, Oh, Man, I want</p> <p>14 all the money; I want the sponsorship;</p> <p>15 I want to have the glory; I want to</p> <p>16 have all the stuff, but in reality,</p> <p>17 first, they just want to be shown on</p> <p>18 TV. They want to show their parents</p> <p>19 that they're on TV and they're</p> <p>20 fighting. I know it's crazy, but it's</p> <p>21 the truth.</p> <p>22 And then -- but if you -- if</p> <p>23 you're on some wacky network on some</p> <p>24 crazy station that they're showing at</p> <p>25 2:00 in the morning, who wants that?</p>
<p style="text-align: right;">243</p> <p>1 OTTO</p> <p>2 Q And you need the TV contract?</p> <p>3 A Yes. And --</p> <p>4 Q It's hard to --</p> <p>5 A And then, the TV networks get</p> <p>6 upset if they can't sell time to</p> <p>7 Gatorade, the beer companies, the</p> <p>8 popcorn companies, and the Muscle Milk,</p> <p>9 and the HeadBlade, and whatever. So,</p> <p>10 if someone is blocking you from doing</p> <p>11 that, it's a challenge.</p> <p>12 Q Hard to compete if you have a</p> <p>13 competitor out there blocking you from</p> <p>14 gettings top sponsors?</p> <p>15 MR. SKAGGS: Objection.</p> <p>16 Leading. Foundation.</p> <p>17 Q Is that right?</p> <p>18 A That is 100 percent right.</p> <p>19 Q Sounds like there's a bit of</p> <p>20 a catch-22 because it's hard to get the</p> <p>21 top-level fighters unless you're</p> <p>22 already an established business with a</p> <p>23 top TV contract. It's hard to get a TV</p> <p>24 contract unless you have the top-level</p> <p>25 fighters?</p>	<p style="text-align: right;">245</p> <p>1 OTTO</p> <p>2 How can you -- how could you generate</p> <p>3 revenue from that?</p> <p>4 So, unfortunately, in that</p> <p>5 business, you have to go from first</p> <p>6 gear to sixth gear, like this. And</p> <p>7 then you're all in; chips in, and it's</p> <p>8 do or die. And then, if anything</p> <p>9 breaks, it's risky.</p> <p>10 Q So it's a difficult business</p> <p>11 to break into, in your opinion?</p> <p>12 MR. SKAGGS: Objection.</p> <p>13 Foundation.</p> <p>14 A It's as tough as it is. And</p> <p>15 then, on top of that, you have people</p> <p>16 shooting arrows at you.</p> <p>17 Q Like Zuffa?</p> <p>18 MR. SKAGGS: Objection.</p> <p>19 Foundation.</p> <p>20 A Right.</p> <p>21 Q Are you aware that Zuffa</p> <p>22 acquired the World Fighting Alliance?</p> <p>23 MR. SKAGGS: Objection.</p> <p>24 Foundation.</p> <p>25 Q In about 2006?</p>

<p style="text-align: right;">246</p> <p>1 OTTO</p> <p>2 MR. SKAGGS: Leading.</p> <p>3 A I know there is -- was a</p> <p>4 maybe three or four companies they</p> <p>5 acquired.</p> <p>6 Q World Extreme Cage Fighting?</p> <p>7 MR. SKAGGS: Objection.</p> <p>8 A Yes, WEC.</p> <p>9 Q So you're aware that Zuffa</p> <p>10 acquired WEC?</p> <p>11 MR. SKAGGS: Objection.</p> <p>12 Foundation.</p> <p>13 A At the time, yes.</p> <p>14 Q And you're aware that Zuffa</p> <p>15 acquired Pride in 2007?</p> <p>16 MR. SKAGGS: Objection.</p> <p>17 Foundation.</p> <p>18 A Yes.</p> <p>19 Q Do you have an opinion about</p> <p>20 whether Zuffa's acquisition of Pride</p> <p>21 and WEC and WFA, in or about 2006 or</p> <p>22 2007, made it more difficult or less</p> <p>23 difficult to compete with the UFC?</p> <p>24 MR. SKAGGS: Objection.</p> <p>25 Calls for speculation, and</p>	<p style="text-align: right;">248</p> <p>1 OTTO</p> <p>2 A From a strategic standpoint</p> <p>3 if you have the capital to do it, I</p> <p>4 understand why they would do it. If</p> <p>5 that's, in fact, why they did it, I</p> <p>6 understand why they did it.</p> <p>7 But to directly answer your</p> <p>8 questions, Does it limit your fight</p> <p>9 pool? Yes. For free agents, yes.</p> <p>10 Q For rivals?</p> <p>11 A Yes.</p> <p>12 Q Did Zuffa ever</p> <p>13 counter-program any of IFL's events?</p> <p>14 MR. SKAGGS: Objection.</p> <p>15 Q Meaning, put up a Zuffa event</p> <p>16 or UFC event counter to an IFL event?</p> <p>17 MR. SKAGGS: Leading.</p> <p>18 Foundation.</p> <p>19 A I do recall that. I don't</p> <p>20 know the specific event or the date or</p> <p>21 the year, but I do know that it may</p> <p>22 have crossed paths maybe once or twice.</p> <p>23 It could have been coincidental. Maybe</p> <p>24 not. I do remember some talk about</p> <p>25 that, or I do -- it directly relates to</p>
<p style="text-align: right;">247</p> <p>1 OTTO</p> <p>2 irrelevant.</p> <p>3 A Well, you tell me. If I need</p> <p>4 to go get fighters that are bigger</p> <p>5 names, they're not in the woods</p> <p>6 somewhere up, in a tree, hiding,</p> <p>7 they're in a fight organization. And</p> <p>8 if they're locked up in a contract</p> <p>9 prematurely or a contract that was</p> <p>10 transferred and assumed because of the</p> <p>11 acquisition, I have no shot of getting</p> <p>12 that fighter.</p> <p>13 So I have to go all the way</p> <p>14 down to the gym level and go find a new</p> <p>15 gym rat that has talent and build them</p> <p>16 up and start from scratch. So, if you</p> <p>17 buy all the talent, your chances of</p> <p>18 finding Conor McGregor are slim to</p> <p>19 none; this one is out of town.</p> <p>20 Q Is that, you believe, what</p> <p>21 Zuffa was engaged in, in part, in</p> <p>22 buying all of these companies?</p> <p>23 MR. SKAGGS: Objection.</p> <p>24 Calls for speculation. Leading.</p> <p>25 Foundation.</p>	<p style="text-align: right;">249</p> <p>1 OTTO</p> <p>2 our season being exposed ahead of time,</p> <p>3 so I know that there was talk about</p> <p>4 that.</p> <p>5 Q That Zuffa might have decided</p> <p>6 to put out an event counter to an IFL</p> <p>7 event in order to make sure that the</p> <p>8 IFL event was not as successful as it</p> <p>9 otherwise might have been?</p> <p>10 MR. SKAGGS: Objection.</p> <p>11 Leading. Foundation.</p> <p>12 A Correct. And there is one</p> <p>13 more thing to that. Like -- and,</p> <p>14 again, this is just my opinion, okay?</p> <p>15 That if -- let's say I book something</p> <p>16 on a Saturday night in Dallas, Saturday</p> <p>17 night, midmonth. If another MMA event,</p> <p>18 let's say, the UFC, was two weeks</p> <p>19 before that or a week before that, not</p> <p>20 even on the same night, that arena</p> <p>21 could frown on that because it's, like,</p> <p>22 saturated, like, Oh, we just had an</p> <p>23 event there. I don't know. We're not</p> <p>24 going to sell as much Coca-Cola and</p> <p>25 popcorn; who's going to show up.</p>

<p style="text-align: right;">250</p> <p>1 OTTO</p> <p>2 Okay. So you have that kind</p> <p>3 of effect, but again, that's just my</p> <p>4 opinion from a business standpoint.</p> <p>5 So -- but I do recall I know that they</p> <p>6 had our schedule, because everybody and</p> <p>7 their mother had it. And I do recall</p> <p>8 there was conflicting times.</p> <p>9 Q Did the IFL pay the health</p> <p>10 benefits of its fighters?</p> <p>11 A Yep. Yes.</p> <p>12 Q How did you go about -- what</p> <p>13 was the nature of the benefits offered</p> <p>14 by the IFL to fighters?</p> <p>15 A Well, we had an event policy,</p> <p>16 twofold, that if anyone was ever</p> <p>17 injured as a fighter in the event --</p> <p>18 and then also people in the stands</p> <p>19 sometimes fight, so you had that event</p> <p>20 insurance for the, like, the Jets and</p> <p>21 Phillies fans -- I'm just kidding. And</p> <p>22 the Raiders.</p> <p>23 So we would have event</p> <p>24 insurance that night. And then, also,</p> <p>25 every single time somebody was injured,</p>	<p style="text-align: right;">252</p> <p>1 OTTO</p> <p>2 the record.</p> <p>3 MR. CRAMER: I was asked</p> <p>4 before we finished, what the</p> <p>5 nature of Exhibit 8 was, the</p> <p>6 International Fight League Team</p> <p>7 Member Fight Agreement, or the</p> <p>8 provenance of it was, and it, for</p> <p>9 whatever reason, the exhibit</p> <p>10 version did not have a Bates</p> <p>11 number, but it was produced to</p> <p>12 Zuffa or Zuffa's counsel, bearing</p> <p>13 the Bates range 8B-PLPF0001123</p> <p>14 through 1141.</p> <p>15 I don't know why the version</p> <p>16 that we're using is not a version</p> <p>17 that was Bates stamped. I can't</p> <p>18 answer that question. But we --</p> <p>19 apparently, this was sent to Zuffa</p> <p>20 under cover of a letter, dated</p> <p>21 January 12, 2007.</p> <p>22 Over to you.</p> <p>23 EXAMINATION BY MR. SKAGGS:</p> <p>24 Q How are you? I'm Rory</p> <p>25 Skaggs. I'll be asking you some</p>
<p style="text-align: right;">251</p> <p>1 OTTO</p> <p>2 legitimately injured, whether it was</p> <p>3 practice or whether it was in a fight,</p> <p>4 or whether they lost a tooth or whether</p> <p>5 they broke a nose or whether they</p> <p>6 cracked an orbital or whatever the</p> <p>7 situation was, we sent them to the</p> <p>8 emergency room, and we paid for that in</p> <p>9 full ourselves, every time.</p> <p>10 MR. CRAMER: All right.</p> <p>11 Thank you. I have no further</p> <p>12 questions.</p> <p>13 THE WITNESS: Uh-huh.</p> <p>14 MR. SKAGGS: I need to take a</p> <p>15 look at this. Maybe 15 minutes;</p> <p>16 does that work?</p> <p>17 MR. CRAMER: Sure.</p> <p>18 MR. SKAGGS: Cool.</p> <p>19 VIDEOGRAPHER: The time now</p> <p>20 is 2:37. Going off the record.</p> <p>21 (Whereupon, a brief recess</p> <p>22 was taken.)</p> <p>23 VIDEOGRAPHER: The time now</p> <p>24 is 2:53. This marks the beginning</p> <p>25 of Tape Number 3. We're back on</p>	<p style="text-align: right;">253</p> <p>1 OTTO</p> <p>2 questions. If you don't understand</p> <p>3 just let me know, and I will try to</p> <p>4 rephrase.</p> <p>5 We talked a little bit about</p> <p>6 this at the beginning, but you said you</p> <p>7 had probably met the named plaintiffs</p> <p>8 in this case at some point.</p> <p>9 Do you remember any</p> <p>10 conversations you might have had with</p> <p>11 them?</p> <p>12 A If anything, it would just be</p> <p>13 like a hello and goodbye. Maybe they</p> <p>14 came to my event or I was at an event</p> <p>15 that they were at, just like introduce,</p> <p>16 hello.</p> <p>17 Q Nothing substantive?</p> <p>18 A No conversation but hello or</p> <p>19 goodbye. That's it.</p> <p>20 Q So we've been talking -- or,</p> <p>21 you've been talking about your</p> <p>22 experience with IFL.</p> <p>23 Just so I'm clear, before you</p> <p>24 started IFL, you had no previous</p> <p>25 business experience in MMA promotion;</p>

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<p style="text-align: right;">422</p> <p>1 OTTO</p> <p>2 you were asked a lot by Zuffa's counsel</p> <p>3 about a handful of Zuffa fighters that</p> <p>4 fought for the UFC and then fought for</p> <p>5 the IFL.</p> <p>6 Was it your opinion that the</p> <p>7 fighters that fought for the UFC and</p> <p>8 then for the IFL were fighters that</p> <p>9 Zuffa, for one reason or another,</p> <p>10 didn't want anymore?</p> <p>11 MR. SKAGGS: Objection.</p> <p>12 Q And that's why they could</p> <p>13 fight for the IFL?</p> <p>14 MR. SKAGGS: Calls for</p> <p>15 speculation.</p> <p>16 Q And maybe not in every case,</p> <p>17 but in a lot of cases?</p> <p>18 A From face value, in most</p> <p>19 cases, probably the reason either, A,</p> <p>20 they -- not that weren't talented</p> <p>21 fighters, because some of them were</p> <p>22 backed. So they did like him at some</p> <p>23 point.</p> <p>24 Q Right?</p> <p>25 A They did take their calls at</p>	<p style="text-align: right;">424</p> <p>1 OTTO</p> <p>2 understanding that the UFC's contracts</p> <p>3 with their fighters allowed the UFC to</p> <p>4 cut fighters if they lost fights?</p> <p>5 MR. SKAGGS: Objection.</p> <p>6 Leading. Foundation.</p> <p>7 Q Do you know one way or the</p> <p>8 other if that's true?</p> <p>9 A I don't know whether the UFC</p> <p>10 can cut fighters at well,</p> <p>11 contractually, because they feel like</p> <p>12 it because someone got pissed or</p> <p>13 because they lost. I don't know the</p> <p>14 complexity of it, but I do know that,</p> <p>15 as a fan, simply just watching and</p> <p>16 reading about the industry, that there</p> <p>17 were fighters that were let go that I</p> <p>18 couldn't believe; I'm like, Why? You</p> <p>19 know, after -- years after the IFL.</p> <p>20 In the IFL, during the time</p> <p>21 of the IFL, I would ask those questions</p> <p>22 to myself. Also, like, Why the hell</p> <p>23 would they let that guy go? Doesn't</p> <p>24 make any sense. I'll take him.</p> <p>25 So there were situations like</p>
<p style="text-align: right;">423</p> <p>1 OTTO</p> <p>2 some point.</p> <p>3 It was probably more of a</p> <p>4 personality conflict and more of a</p> <p>5 strategic "get the hell out of here"</p> <p>6 kind of thing; go, be my guest.</p> <p>7 Q Did a lot of the fighters</p> <p>8 that's fought with the IFL that</p> <p>9 formerly were with the UFC have losing</p> <p>10 records with the UFC?</p> <p>11 A I know --</p> <p>12 MR. SKAGGS: Objection.</p> <p>13 Leading.</p> <p>14 A I know -- I know for a</p> <p>15 fact -- for a fact that fighters that</p> <p>16 did fight for the UFC felt always a</p> <p>17 crazy amount of stress to win, no</p> <p>18 matter what, for the fear of being cut</p> <p>19 and would express to me that -- they're</p> <p>20 like, Man, I can finally train and not</p> <p>21 worry and fight without that additional</p> <p>22 burden on my head before I go into the</p> <p>23 ring and fight.</p> <p>24 Q A lot of the fighters</p> <p>25 fighting for the UFC -- did you have an</p>	<p style="text-align: right;">425</p> <p>1 OTTO</p> <p>2 that.</p> <p>3 Q Was it your sense that -- let</p> <p>4 ask it this way: Did you ever sign</p> <p>5 someone the with IFL that you knew at</p> <p>6 the time that UFC wanted to continue</p> <p>7 having under contract?</p> <p>8 MR. SKAGGS: Objection.</p> <p>9 Calls for speculation. Leading.</p> <p>10 A There were two distinct</p> <p>11 fighters that I know the UFC wanted so</p> <p>12 bad that fought in the IFL. They</p> <p>13 wanted Ben Rockwell, and they wanted</p> <p>14 Big Country, two of my heavyweights.</p> <p>15 At the time, they were</p> <p>16 lacking heavyweights, and Big Country</p> <p>17 managed himself, with his wife. And</p> <p>18 Ben Rockwell was managed by Monty Cox.</p> <p>19 So Monty's like, Hey, listen, Man, UFC</p> <p>20 is really asking about Ben.</p> <p>21 And I said, It's no problem.</p> <p>22 He has two fights left. When he's</p> <p>23 done, see what they offer him. I don't</p> <p>24 care.</p> <p>25 So we went back and forth and</p>

<p style="text-align: right;">426</p> <p>1 OTTO</p> <p>2 back and forth and back and forth, and</p> <p>3 then there was a lot of money for Ben.</p> <p>4 So I said, Bye, Ben. And he went. Big</p> <p>5 Country stayed, and when the IFL -- I</p> <p>6 think, when the IFL was sold, then Big</p> <p>7 Country went.</p> <p>8 Q Let me ask it this way --</p> <p>9 A I think it worked out that</p> <p>10 way.</p> <p>11 Q -- did the IFL ever sign a</p> <p>12 free agent, former UFC fighter who</p> <p>13 somehow became a free agent, that the</p> <p>14 UFC hadn't cut? In other words, that</p> <p>15 the UFC actually wanted?</p> <p>16 A I've never seen a scenario</p> <p>17 like that.</p> <p>18 MR. SKAGGS: Objection.</p> <p>19 Calls for speculation.</p> <p>20 Q You have never seen a</p> <p>21 scenario like that? Why, do you think?</p> <p>22 A Like I said, I have never</p> <p>23 seen their contract ever --</p> <p>24 Q Right.</p> <p>25 A -- of but I know for a fact</p>	<p style="text-align: right;">428</p> <p>1 OTTO</p> <p>2 industry that Zuffa had the power to</p> <p>3 keep them; is that fair?</p> <p>4 A Oh, yeah. Yes.</p> <p>5 MR. SKAGGS: Objection.</p> <p>6 Leading. Calls for speculation.</p> <p>7 Q Why do you think that? What</p> <p>8 information do you have that forms the</p> <p>9 basis of your opinion on that question?</p> <p>10 A Well, then and now -- then</p> <p>11 and even now, as a fan, to this very</p> <p>12 moment there's still contractual</p> <p>13 disputes with very big-name fighters</p> <p>14 via GSP.</p> <p>15 Q George Saint Pierre?</p> <p>16 A Yeah. Why is he not</p> <p>17 fighting? Does anybody know?</p> <p>18 Q Is it fair to say that, in</p> <p>19 2006, the IFL lost close to</p> <p>20 \$10 million?</p> <p>21 A As far as a filing, yes.</p> <p>22 Q And, in 2007, the IFL lost</p> <p>23 close to \$4 million; is that fair?</p> <p>24 A Say what year again.</p> <p>25 Q 2007.</p>
<p style="text-align: right;">427</p> <p>1 OTTO</p> <p>2 that there were guys that were wanting</p> <p>3 to come and fight for us, but for some</p> <p>4 mysterious reason, couldn't. And I</p> <p>5 know they weren't fighting there, but</p> <p>6 they were there, but they weren't</p> <p>7 fighting. So I would assume they were</p> <p>8 pretty much locked up.</p> <p>9 Q Was it generally known in the</p> <p>10 industry that fighters under contract</p> <p>11 with -- let me ask it this way: It was</p> <p>12 generally understood -- and I believe</p> <p>13 you just testified -- that if Zuffa had</p> <p>14 a fighter under contract and wanted to</p> <p>15 keep that fighter under contract, it</p> <p>16 generally was able to do so; is that</p> <p>17 fair?</p> <p>18 MR. SKAGGS: Objection.</p> <p>19 Foundation.</p> <p>20 A Can you re-ask the question?</p> <p>21 Q Yeah.</p> <p>22 If UFC had a fighter under</p> <p>23 contract and desired to keep that</p> <p>24 fighter under contract, it was</p> <p>25 generally understood in the MMA</p>	<p style="text-align: right;">429</p> <p>1 OTTO</p> <p>2 A 2006 was close to 10-?</p> <p>3 Q Yes.</p> <p>4 A 2007, 4-. So things were</p> <p>5 looking up. Probably right.</p> <p>6 Q Did the IFL ever turn a</p> <p>7 profit at the end of any year?</p> <p>8 A Our first two fights prior to</p> <p>9 being public, yes.</p> <p>10 Q But not at the end of any</p> <p>11 year?</p> <p>12 A I -- I don't know how the</p> <p>13 math works, to be honest with you. I</p> <p>14 don't know if they showed a profit or</p> <p>15 not. I know they showed a trend of</p> <p>16 being on its way to being profitable.</p> <p>17 I remember that. And that is what also</p> <p>18 gave us the -- I believe, the ability</p> <p>19 to go and do a second raise from a</p> <p>20 major financial institution to get</p> <p>21 behind us.</p> <p>22 Q The trend was you were losing</p> <p>23 less money every year?</p> <p>24 A Right. From what I recall.</p> <p>25 Q Zuffa's counsel asked you --</p>

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<p style="text-align: right;">430</p> <p>1 OTTO</p> <p>2 A So, also, stock. We went</p> <p>3 from 22 cents to over \$17 and change</p> <p>4 per share. So, on paper, I was worth</p> <p>5 \$135 million, which was wallpaper. I</p> <p>6 can't do anything with it. But the</p> <p>7 stock was a penny stock.</p> <p>8 Then we, out of the gate,</p> <p>9 were 22, 23 cents a share, and by the</p> <p>10 grace of God, got on 60 Minutes, and</p> <p>11 the next morning, said I was worth</p> <p>12 \$135 million, which didn't mean squat</p> <p>13 but did look cool on paper.</p> <p>14 Q You were asked some</p> <p>15 questions --</p> <p>16 A I never sold one share, by</p> <p>17 the way, in my life, and I still owned</p> <p>18 those shares which had probably became</p> <p>19 four different companies. And I think</p> <p>20 it's some half-assed company in Canada</p> <p>21 right now trading at -- probably the</p> <p>22 largest shareholder of that crap</p> <p>23 company, whatever it is.</p> <p>24 Q Is it fair to say that</p> <p>25 professional MMA fighters at the top</p>	<p style="text-align: right;">432</p> <p>1 OTTO</p> <p>2 questions about whether there was a</p> <p>3 talent pool of millions of people that</p> <p>4 could potentially be a professional MMA</p> <p>5 fighter.</p> <p>6 A The answer is no.</p> <p>7 Q The talent pool for those</p> <p>8 athletes that are capable of doing it,</p> <p>9 willing to do it, and willing to take</p> <p>10 the pain and all the others things that</p> <p>11 go along with it is very small; is that</p> <p>12 right?</p> <p>13 A Correct.</p> <p>14 MR. SKAGGS: Objection.</p> <p>15 Leading. Foundation.</p> <p>16 A And so is the paycheck along</p> <p>17 with it; it's in proportion to the</p> <p>18 athlete, I mean, to the point where</p> <p>19 it's ridiculous.</p> <p>20 Q In terms of -- from the</p> <p>21 perspective of the fan, would you say a</p> <p>22 fan who is going to an NCA college</p> <p>23 football game, if you just say, Hey, I</p> <p>24 know you got this ticket to an NCA</p> <p>25 college football game; I'm going to</p>
<p style="text-align: right;">431</p> <p>1 OTTO</p> <p>2 level of the sport are highly skilled</p> <p>3 athletes; is that right?</p> <p>4 MR. SKAGGS: Objection.</p> <p>5 Foundation.</p> <p>6 A More so than -- yes, more so</p> <p>7 than any other athletes, I believe, in</p> <p>8 any sport.</p> <p>9 Q And they need specific</p> <p>10 training in mixed martial arts,</p> <p>11 correct? Various different martial</p> <p>12 arts, in order to be a professional MMA</p> <p>13 athlete at the top level of the sport;</p> <p>14 is that right?</p> <p>15 MR. SKAGGS: Objection.</p> <p>16 Foundation. Leading.</p> <p>17 A Painstakingly true, not only</p> <p>18 all the of their techniques, but weight</p> <p>19 training and cardio and diet more so</p> <p>20 than any other athlete.</p> <p>21 Go take a look at a</p> <p>22 42-year-old professional pitcher in</p> <p>23 baseball and look at them and then go</p> <p>24 look at GSP or any elite athletes.</p> <p>25 Q So you were asked some</p>	<p style="text-align: right;">433</p> <p>1 OTTO</p> <p>2 give you a ticket to an MMA event, do</p> <p>3 you think the fan would view that as</p> <p>4 interchangeable? Same thing?</p> <p>5 MR. SKAGGS: Objection.</p> <p>6 Foundation. Leading.</p> <p>7 A Well, not even close. And</p> <p>8 you tell me, what 5-foot-8 rogue</p> <p>9 Irish-speaking, redheaded kid with a</p> <p>10 beard, with tattoos all over his body</p> <p>11 can sell out an arena to watch him</p> <p>12 weight in with no seat available in MSG</p> <p>13 the night before he is supposed to</p> <p>14 fight? I don't see that.</p> <p>15 I have seen Michael Jordon</p> <p>16 play. I have seen Lawrence Taylor</p> <p>17 play. Not even within smelling</p> <p>18 distance of that kind of situation.</p> <p>19 Q To be successful at the top</p> <p>20 levels of professional MMA, you need to</p> <p>21 be an elite MMA athlete; is that fair?</p> <p>22 MR. SKAGGS: Objection.</p> <p>23 Leading. Foundation.</p> <p>24 A And you need to be good</p> <p>25 looking; you need to be charismatic;</p>

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